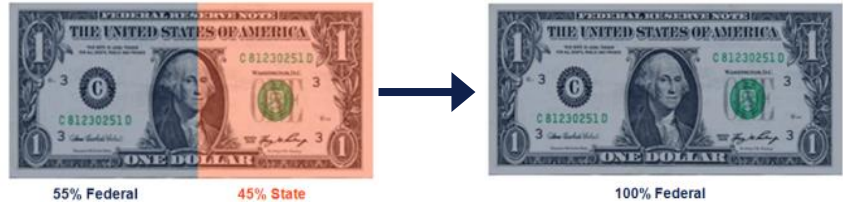


# 100% FMAP Reinvestment Initiative

## What is it?

- A 2016 federal Medicaid policy change allows states to claim 100% FMAP instead of at the state's regular FMAP for services for American Indians referred by Indian Health Service (IHS) under a Care Coordination Agreement.
- This generates state savings when the federal match rate for services increases and allows the state to reinvest in Medicaid.



## What are the key requirements of the federal policy?

1. Participation must be voluntary.
2. Service must be referred by IHS.
3. IHS and non-IHS provider must have a Care Coordination Agreement.
4. IHS and the non-IHS provider must share medical records.

## How much does South Dakota spend on American Indians?

- In SFY17, South Dakota spent \$97 million in state general funds for American Indians for care outside IHS.

## This is **NOT** Medicaid Expansion.

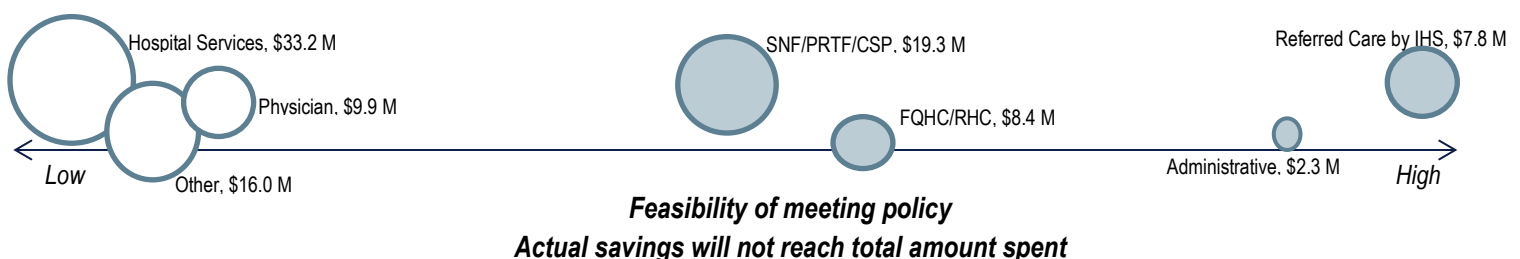
Medicaid Expansion is adding additional people to Medicaid by increasing the income limits for people already eligible for Medicaid or adding new groups (ex. childless adults) to Medicaid.

This initiative **doesn't** add new people to Medicaid. It does:

- Save state general funds.
- Reinvest state savings to address service gaps in Medicaid.
- Reinvest state savings to increase provider rates.
- Reinvest state savings to promote innovation.

## Will South Dakota save \$97 million?

- No. The policy requirements must be met in order to convert the FMAP. Not all services will be able to meet the requirements of the policy.
- Services are grouped below based on feasibility of meeting the policy.
- The categories show South Dakota's total expenditures for American Indians. Actual savings in each category will be less than the total spent.
- DSS tracks the amount saved each month online: <https://dss.sd.gov/keyresources/fmapreports.aspx>



# 100% FMAP Reinvestment Initiative

## What is the budget impact?

- Projected savings of \$4.6 million were part of the DSS SFY19 budget request. About 85% of the savings were used to increase community based provider rates and address service gaps in Medicaid. The remaining 15% will be shared with providers and IHS who implement the policy.

- Funding is prioritized to:

### 1. Address Service Gaps in Medicaid

- Add Substance User Disorder (SUD) Services for Adults
- Add new Behavioral Health Providers
- Provide Community Health Worker Services

### 2. Increase Provider Rates

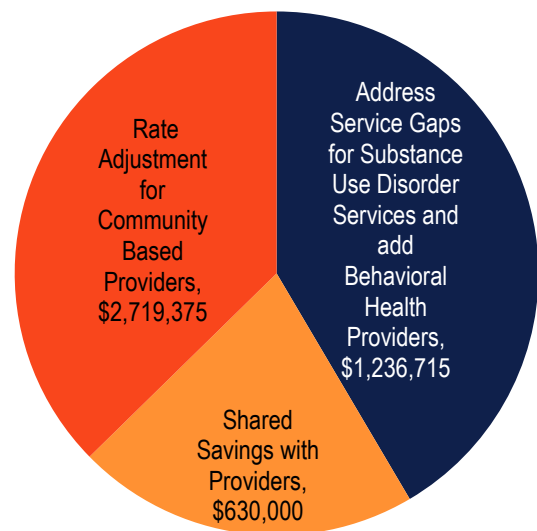
- Increase Provider Rates for DSS, DHS, and DOC community-based providers including Assisted Living, In Home Services, Emergency Transportation, Group Care, and Outpatient Psychiatric Care.

### 3. Share Savings with Providers

- Shared savings with providers and IHS are tiered based on the amount saved by the provider.

## SFY19 Budget State Funds Impact

*Based on SFY17 Projections*



## Does this just benefit the large hospital based systems?

- No. The hospital systems only benefit to the extent they participate in care coordination agreements with IHS and generate savings to the state Medicaid program.
- Shared savings with participating providers are tiered to actual savings generated.

## What's next?

- Working with Skilled Nursing Facilities (SNFs), Psychiatric Residential Treatment Facilities (PRTFs), and Community Support Providers (CSPs) to implement a referral process with IHS.
- Working with FQHCs and tribal partners to develop an 1115 waiver to pilot an alternative service delivery model to increase access to primary care for American Indians.
- Future savings generated will be targeted for Medicaid provider rates.